

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendraye
Marshall Johnson
Ken Nickolai
Thomas Pugh
Phyllis A. Reha

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of CenterPoint Energy's
Implementation of the Cold Weather Rule and
Reconnection Policies

ISSUE DATE: August 5, 2005

DOCKET NO. G-008/CI-04-2001

ORDER DIRECTING SUBMISSION OF
PROPOSED INTERIM REPORTING
MEASURES

PROCEDURAL HISTORY

On January 4, 2005, the Commission issued an Order initiating an investigation into whether CenterPoint Energy's practices, acts or omissions with respect to Minn. Rules, part 7820.1500 to 7820.2300 are in any way unreasonable or insufficient, or improperly prevent service from being obtained. The Commission accepted the offer of the Residential and Small Business Utilities Division of the Office of the Attorney General (RUD-OAG) to work with the Commission's Consumers Affairs Office (CAO) in conducting the investigation.

On January 12, 2005, RUD-OAG filed its preliminary report. The RUD-OAG indicated that while the investigation was not complete, there was evidence of CenterPoint ignoring the Cold Weather Rule (CWR) requirements and recommended measures that CenterPoint should adopt in the interim to be in compliance with the CWR.

On January 14, 2005, the Commission issued an interim Order adopting an agreement between CenterPoint and the RUD-OAG and ordering its implementation. The agreement included a script that CenterPoint customer service representatives are to use with customers seeking reconnection that will advise them of their rights under the CWR. The interim Order also appointed Commissioner Reha as the lead Commissioner in this docket with authority to exercise the Commission's authority to receive and decide discovery disputes between the parties.

On June 21, 2005, the RUD-OAG filed its final report, which concluded that CenterPoint willfully and systematically violated the Cold Weather Rule and related laws. The RUD-OAG recommended that the Commission penalize CenterPoint \$5 million, require it to make restitution to those who were harmed by its conduct, and direct it to modify its practices.

On June 23, 2005, the Commission issued a notice of bifurcated comment period. First, the Commission requested comments on process or reporting procedures that were raised in the RUD-OAG's final report and the recommendations proposed originally at the May 17, 2005 Commission meeting regarding CenterPoint's recent rate case in Docket No. G-008/GR-04-901. Comments were due July 7, 2005. Replies were due July 15, 2005.

Second, the Commission requested comments on all other matters raised in RUD-OAG's final report. Comments were due July 21, 2005 and replies were due on August 4, 2005.

On July 6, 2005, Energy CENTS filed comments recommending that the Commission adopt both the RUD-OAG's list of proposals regarding CenterPoint's reporting procedures, the recommendations introduced in CenterPoint's recent rate case in Docket No. G-008/GR-04-901, and additional compliance procedures.

On July 7, 2005, the RUD-OAG filed comments recommending that the Commission adopt the recommendations introduced in CenterPoint's recent rate case in Docket No. G-008/GR-04-901. The RUD also submitted for Commission approval additional compliance procedures for CenterPoint.

On July 7, 2005, CenterPoint filed comments indicating that it believes that the Company has not violated any Minnesota laws. CenterPoint agreed to comply with the recommendations introduced in CenterPoint's recent rate case in Docket No. G-008/GR-04-901. However, CenterPoint took issue with some of the RUD's proposals regarding its reporting procedures. Despite these concerns, the Company indicated it has been and continues to be open to discussions on how its processes may be improved.

On July 14, 2005, Energy CENTS filed reply comments reiterating support of RUD-OAG's recommendations and encouraging CenterPoint to take more deliberate, proactive steps to ensure that low-income customers maintain heat during the CWR season.

On July 15, 2005, the RUD-OAG filed reply comments, reiterating its recommendations and its allegations that CenterPoint violated the CWR.

On July 15, 2005, CenterPoint filed reply comments, denying any violation of the CWR and requesting establishment of a working group to consider any process and reporting issues.

The Commission met on August 4, 2005 to consider process or reporting procedures in this matter.

FINDINGS AND CONCLUSIONS

At the hearing, after extensive discussion of various reporting measures related to CenterPoint Energy's implementation of the Cold Weather Rule, the Company proposed to provide certain information on a weekly and/or monthly basis. The Commission was favorably inclined toward the Company's offer in general, but wished to review the Company's proposal in writing before

making a final decision.

Having reviewed the parties' filings and heard their oral arguments, therefore, the Commission will direct the Company to put in writing the reporting measures that it has agreed to implement, file the list with the Commission, and circulate its filing to the parties in advance of the Commission's next regularly scheduled meeting, Thursday August 11, 2005.

The Commission clarifies that the reporting measures to be adopted by Order following the August 11, 2005 meeting will serve as a supplement to the Commission's January 14, 2005 Order. In that Order, the Commission directed CenterPoint Energy to use the script set forth in that Order. Use of the script by the Company's Service Representatives remains mandatory pending an explicit Commission Order to the contrary.

ORDER

1. CenterPoint' Energy shall put in writing certain reporting measures that it proposes to implement and file them with the Commission and serve all parties at the earliest feasible date.
2. The Commission asks its Executive Secretary to place this matter on the agenda of the Commission at its next regularly scheduled meeting, Thursday August 11, 2005.
3. The Commission's January 14, 2005 Order directing CenterPoint Energy to use the script set forth in that Order remains in effect.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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